

1 AN ACT in relation to alcoholic liquor.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Liquor Control Act of 1934 is amended by  
5 changing Section 3-12 as follows:

6 (235 ILCS 5/3-12) (from Ch. 43, par. 108)

7 Sec. 3-12. Powers and duties of State Commission.

8 (a) The State commission shall have the following  
9 powers, functions and duties:

10 (1) To receive applications and to issue licenses  
11 to manufacturers, foreign importers, importing  
12 distributors, distributors, non-resident dealers, on  
13 premise consumption retailers, off premise sale  
14 retailers, special event retailer licensees, special use  
15 permit licenses, auction liquor licenses, brew pubs,  
16 caterer retailers, non-beverage users, railroads,  
17 including owners and lessees of sleeping, dining and cafe  
18 cars, airplanes, boats, brokers, and wine maker's  
19 premises licensees in accordance with the provisions of  
20 this Act, and to suspend or revoke such licenses upon the  
21 State commission's determination, upon notice after  
22 hearing, that a licensee has violated any provision of  
23 this Act or any rule or regulation issued pursuant  
24 thereto and in effect for 30 days prior to such  
25 violation.

26 In lieu of suspending or revoking a license, the  
27 commission may issue a warning based upon the  
28 administrative procedures adopted by the Commission or  
29 may impose a fine, upon the State commission's  
30 determination and notice after hearing, that a licensee  
31 has violated any provision of this Act or any rule or

1 regulation issued pursuant thereto and in effect for 30  
2 days prior to such violation. The fine imposed under  
3 this paragraph may not exceed \$500 for each violation.  
4 Each day that the activity, which gave rise to the  
5 original fine, continues is a separate violation. The  
6 maximum fine that may be levied against any licensee, for  
7 the period of the license, shall not exceed \$20,000. The  
8 maximum penalty that may be imposed on a licensee for  
9 selling a bottle of alcoholic liquor with a foreign  
10 object in it or serving from a bottle of alcoholic liquor  
11 with a foreign object in it shall be the destruction of  
12 that bottle of alcoholic liquor for the first 10 bottles  
13 so sold or served from by the licensee. For the eleventh  
14 bottle of alcoholic liquor and for each third bottle  
15 thereafter sold or served from by the licensee with a  
16 foreign object in it, the maximum penalty that may be  
17 imposed on the licensee is the destruction of the bottle  
18 of alcoholic liquor and a fine of up to \$50.

19 (2) To adopt such rules and regulations consistent  
20 with the provisions of this Act which shall be necessary  
21 to carry on its functions and duties to the end that the  
22 health, safety and welfare of the People of the State of  
23 Illinois shall be protected and temperance in the  
24 consumption of alcoholic liquors shall be fostered and  
25 promoted and to distribute copies of such rules and  
26 regulations to all licensees affected thereby.

27 (3) To call upon other administrative departments  
28 of the State, county and municipal governments, county  
29 and city police departments and upon prosecuting officers  
30 for such information and assistance as it deems necessary  
31 in the performance of its duties.

32 (4) To recommend to local commissioners rules and  
33 regulations, not inconsistent with the law, for the  
34 distribution and sale of alcoholic liquors throughout the

1 State.

2 (5) To inspect, or cause to be inspected, any  
3 premises in this State where alcoholic liquors are  
4 manufactured, distributed, warehoused, or sold.

5 (5.1) Upon receipt of a complaint or upon having  
6 knowledge that any person is engaged in business as a  
7 manufacturer, importing distributor, distributor, or  
8 retailer without a license or valid license, to notify  
9 the local liquor authority, file a complaint with the  
10 State's Attorney's Office of the county where the  
11 incident occurred, or initiate an investigation with the  
12 appropriate law enforcement officials.

13 (5.2) To issue a cease and desist notice to persons  
14 shipping alcoholic liquor into this State from a point  
15 outside of this State if the shipment is in violation of  
16 this Act.

17 (5.3) To receive complaints from licensees, local  
18 officials, law enforcement agencies, organizations, and  
19 persons stating that any licensee has been or is  
20 violating any provision of this Act or the rules and  
21 regulations issued pursuant to this Act. Such complaints  
22 shall be in writing, signed and sworn to by the person  
23 making the complaint, and shall state with specificity  
24 the facts in relation to the alleged violation. If the  
25 Commission has reasonable grounds to believe that the  
26 complaint substantially alleges a violation of this Act  
27 or rules and regulations adopted pursuant to this Act, it  
28 shall conduct an investigation. If, after conducting an  
29 investigation, the Commission is satisfied that the  
30 alleged violation did occur, it shall proceed with  
31 disciplinary action against the licensee as provided in  
32 this Act.

33 (6) To hear and determine appeals from orders of a  
34 local commission in accordance with the provisions of

1           this Act, as hereinafter set forth. Hearings under this  
2           subsection shall be held in Springfield or Chicago, at  
3           whichever location is the more convenient for the  
4           majority of persons who are parties to the hearing.

5           (7) The commission shall establish uniform systems  
6           of accounts to be kept by all retail licensees having  
7           more than 4 employees, and for this purpose the  
8           commission may classify all retail licensees having more  
9           than 4 employees and establish a uniform system of  
10          accounts for each class and prescribe the manner in which  
11          such accounts shall be kept. The commission may also  
12          prescribe the forms of accounts to be kept by all retail  
13          licensees having more than 4 employees, including but not  
14          limited to accounts of earnings and expenses and any  
15          distribution, payment, or other distribution of earnings  
16          or assets, and any other forms, records and memoranda  
17          which in the judgment of the commission may be necessary  
18          or appropriate to carry out any of the provisions of this  
19          Act, including but not limited to such forms, records and  
20          memoranda as will readily and accurately disclose at all  
21          times the beneficial ownership of such retail licensed  
22          business. The accounts, forms, records and memoranda  
23          shall be available at all reasonable times for inspection  
24          by authorized representatives of the State commission or  
25          by any local liquor control commissioner or his or her  
26          authorized representative. The commission, may, from time  
27          to time, alter, amend or repeal, in whole or in part, any  
28          uniform system of accounts, or the form and manner of  
29          keeping accounts.

30          (8) In the conduct of any hearing authorized to be  
31          held by the commission, to appoint, at the commission's  
32          discretion, hearing officers to conduct hearings  
33          involving complex issues or issues that will require a  
34          protracted period of time to resolve, to examine, or

1 cause to be examined, under oath, any licensee, and to  
2 examine or cause to be examined the books and records of  
3 such licensee; to hear testimony and take proof material  
4 for its information in the discharge of its duties  
5 hereunder; to administer or cause to be administered  
6 oaths; for any such purpose to issue subpoena or  
7 subpoenas to require the attendance of witnesses and the  
8 production of books, which shall be effective in any part  
9 of this State, and to adopt rules to implement its powers  
10 under this paragraph (8).

11 Any Circuit Court may by order duly entered, require  
12 the attendance of witnesses and the production of  
13 relevant books subpoenaed by the State commission and the  
14 court may compel obedience to its order by proceedings  
15 for contempt.

16 (9) To investigate the administration of laws in  
17 relation to alcoholic liquors in this and other states  
18 and any foreign countries, and to recommend from time to  
19 time to the Governor and through him or her to the  
20 legislature of this State, such amendments to this Act,  
21 if any, as it may think desirable and as will serve to  
22 further the general broad purposes contained in Section  
23 1-2 hereof.

24 (10) To adopt such rules and regulations consistent  
25 with the provisions of this Act which shall be necessary  
26 for the control, sale or disposition of alcoholic liquor  
27 damaged as a result of an accident, wreck, flood, fire or  
28 other similar occurrence.

29 (11) To develop industry educational programs  
30 related to responsible serving and selling, particularly  
31 in the areas of overserving consumers and illegal  
32 underage purchasing and consumption of alcoholic  
33 beverages.

34 (11.1) To license persons providing education and

1 training to alcohol beverage sellers and servers under  
2 the Beverage Alcohol Sellers and Servers Education and  
3 Training (BASSET) programs and to develop and administer  
4 a public awareness program in Illinois to reduce or  
5 eliminate the illegal purchase and consumption of  
6 alcoholic beverage products by persons under the age of  
7 21. Application for a license shall be made on forms  
8 provided by the State Commission.

9 (12) To develop and maintain a repository of  
10 license and regulatory information.

11 (13) On or before January 15, 1994, the Commission  
12 shall issue a written report to the Governor and General  
13 Assembly that is to be based on a comprehensive study of  
14 the impact on and implications for the State of Illinois  
15 of Section 1926 of the Federal ADAMHA Reorganization Act  
16 of 1992 (Public Law 102-321). This study shall address  
17 the extent to which Illinois currently complies with the  
18 provisions of P.L. 102-321 and the rules promulgated  
19 pursuant thereto.

20 As part of its report, the Commission shall provide  
21 the following essential information:

22 (i) the number of retail distributors of  
23 tobacco products, by type and geographic area, in  
24 the State;

25 (ii) the number of reported citations and  
26 successful convictions, categorized by type and  
27 location of retail distributor, for violation of the  
28 Sale of Tobacco to Minors Act and the Smokeless  
29 Tobacco Limitation Act;

30 (iii) the extent and nature of organized  
31 educational and governmental activities that are  
32 intended to promote, encourage or otherwise secure  
33 compliance with any Illinois laws that prohibit the  
34 sale or distribution of tobacco products to minors;

1           and

2                   (iv) the level of access and availability of  
3           tobacco products to individuals under the age of 18.

4           To obtain the data necessary to comply with the  
5           provisions of P.L. 102-321 and the requirements of this  
6           report, the Commission shall conduct random, unannounced  
7           inspections of a geographically and scientifically  
8           representative sample of the State's retail tobacco  
9           distributors.

10          The Commission shall consult with the Department of  
11          Public Health, the Department of Human Services, the Illinois  
12          State Police and any other executive branch agency, and  
13          private organizations that may have information relevant to  
14          this report.

15          The Commission may contract with the Food and Drug  
16          Administration of the U.S. Department of Health and Human  
17          Services to conduct unannounced investigations of Illinois  
18          tobacco vendors to determine compliance with federal laws  
19          relating to the illegal sale of cigarettes and smokeless  
20          tobacco products to persons under the age of 18.

21          (b) On or before April 30, 1999, the Commission shall  
22          present a written report to the Governor and the General  
23          Assembly that shall be based on a study of the impact of this  
24          amendatory Act of 1998 on the business of soliciting,  
25          selling, and shipping alcoholic liquor from outside of this  
26          State directly to residents of this State.

27          As part of its report, the Commission shall provide the  
28          following information:

29                  (i) the amount of State excise and sales tax  
30                  revenues generated as a result of this amendatory Act of  
31                  1998;

32                  (ii) the amount of licensing fees received as a  
33                  result of this amendatory Act of 1998;

34                  (iii) the number of reported violations, the number

1 of cease and desist notices issued by the Commission, the  
2 number of notices of violations issued to the Department  
3 of Revenue, and the number of notices and complaints of  
4 violations to law enforcement officials.

5 (Source: P.A. 91-553, eff. 8-14-99; 91-922, eff. 7-7-00;  
6 92-378, eff. 8-16-01; 92-813, eff. 8-21-02.)

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.